

SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Annette W. Jarvis, Utah Bar No. 1649
 Steven C. Strong, Utah Bar No. 6340
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

Lenard E. Schwartzer, Nevada Bar No. 0399
 Jeanette E. McPherson, Nevada Bar No. 5423
 SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com

Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
 LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

**NOTICE OF HEARING OF MOTION
 FOR ORDER APPROVING
 RETENTION PLAN OF DEBTOR'S
 REMAINING EMPLOYEES
 (AFFECTS ALL DEBTORS)**

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Date: October 19, 2006
 Time: 9:30 a.m.

1 NOTICE IS HEREBY GIVEN that a Motion for Order Approving Retention Plan of Debtor's
 2 Remaining Employees (the "Motion") was filed by Schwartzer & McPherson Law Firm, attorneys
 3 for USA Commercial Mortgage Company ("USACM").

4 USACM's management has prepared a retention plan to encourage the remaining employees
 5 to stay until the effective date of the Plan of Reorganization, a copy of which is attached to the
 6 Motion as Exhibit A (the "Retention Plan"). The proposed Retention Plan consists of three major
 7 components: a) a bonus; b) severance pay; and c) medical benefits, and is summarized as follows:

- 8 a. A bonus will be paid to each employee who remains actively employed by
 9 USACM on the "Bonus Days" of November 30, 2006, December 31, 2006, January
 10 31, 2006 and February 28, 2006. The bonus to be paid on each Bonus Day shall
 11 consist of 5% of the employee's annual salary (calculated for the hourly employees
 12 as 5% of their hourly rate multiplied by 2080, which is a standard work year). If
 the effective date of the Plan of Reorganization is prior to February 28, 2006, any
 unpaid bonus amounts shall be paid to those employees employed by USACM on
 the effective date.
- 13 b. Severance pay shall be accrued at 2% of annual pay for each pay period beginning
 14 October 1, 2006, until an employee has accrued a maximum of 25% of annual
 15 salary (or in the case of hourly employees, 25% of their hourly rate multiplied by
 16 2080). Severance pay shall be paid to the employee only if and when the
 employment is terminated by USACM. Employees shall receive at least 30 days
 notice of termination, through which time period the severance pay will continue to
 accrue.
- 17 c. If USACM terminates the employees' medical plan, no COBRA medical benefit
 18 will be available for former employees as they search for new jobs. Accordingly,
 the current medical plan will be continued until it is determined by management
 19 that it is no longer needed for USACM's employees. At that time, arrangements
 will be made with the medical plan provider to pre-pay the medical plan for a
 20 minimum of 6 months and a maximum of 12 months, so that the remaining
 employees will be able to continue their medical coverage by paying the same
 21 amount to the medical plan provider that they were previously paying to USACM
 through withholding from their paychecks. If USACM is unable to obtain such
 22 continuing coverage for the benefit of the terminated employees through the
 medical plan provider, USACM may purchase separate individual insurance
 23 policies for these terminated employees. The individual policies would be for at
 least a six month term and provide substantially the same amount of benefits as the
 24 medical plan it is replacing.

25
 26 If you object to the relief requested, you *must* file a WRITTEN response to this pleading
 27 with the court. You *must* also serve your written response on the person who sent you this notice.

28 If you do not file a written response with the court, or if you do not serve your written

1 response on the person who sent you this notice, then:

- 2 • The court may *refuse to allow you to speak* at the scheduled hearing; and
- 3 • The court may *rule against you* without formally calling the matter at the
- 4 hearing.

5 Pursuant to the Second Amended Order Establishing Case Management Procedures
6 entered September 14, 2006, the deadline to file and serve objections to Requests for Relief set on
7 shortened time shall be no later than three (3) business days before the hearing date.

8 A copy of the Motion may be obtained by accessing BMC Group, Inc.'s website at
9 www.bmcgroup.com/usacmc, by accessing PACER through the United States Bankruptcy Court
10 website for Nevada at www.nvb.uscourts.gov, by contacting BMC Group at telephone: (888) 909-
11 0100, or by contacting the office of the Debtor's counsel, Ray Quinney & Nebeker P.C.,
12 telephone: (801) 532-1500 or fax: (801) 532-7543.

13 NOTICE IS FURTHER GIVEN that the hearing on the Motion may be continued without
14 further notice.

15 NOTICE IS FURTHER GIVEN that the hearing on the Motion will be held before a
16 United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Boulevard South,
17 3rd Floor, Las Vegas, Nevada on October 19, 2006 at 9:30 a.m.

18 Dated this 12th day of October, 2006.

19 Annette W. Jarvis, Utah Bar No. 1649
20 Steven C. Strong, Utah Bar No. 6340
21 RAY QUINNEY & NEBEKER P.C.
22 36 South State Street, Suite 1400
23 P.O. Box 45385
24 Salt Lake City, Utah 84145-0385
25 and

26 /s/ Jeanette E. McPherson

27 Lenard E. Schwartz, Nevada Bar No. 0399
28 Jeanette E. McPherson, Esq., Nevada Bar No. 5423
SCHWARTZER & MCPHERSON LAW FIRM
2850 South Jones Boulevard, Suite 1
Las Vegas NV 89146
Attorneys for Debtors and Debtors-in-Possession